



Chapter 4 – Adjustment in Force (AIF)

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REFERENCES

- (a) Sections 1597, 1603, 1610 and 1613 of title 10, United States Code
- (b) Naval Intelligence Defense Civilian Intelligence Personnel System (DCIPS) Manual, July 25, 2014
- (c) DoD Instruction 1400.25, 2000 Volume Series
- (d) Sections 4313 and 4315 of title 38, United States Code
- (e) DoD Instruction 1400.25, Volume 351 and 1700
- (f) Sections 2108, 3501, 3502, 5595, 7511, 8151, 8336, 8412, 8414, and 8905, and Chapter 63 of title 5, United States Code
- (g) DCIPS Retention Program Guidance, Prepared by the Defense Civilian Intelligence Personnel System Program Execution Office, Version 2, July 2015
- (h) SECNAV Instruction 12250.6A, "Civilian Human Resources Management in the Department of the Navy," January 17, 2013
- (i) SECNAV Instruction 12900.2A, "Defense Civilian Intelligence Personnel System," February 8, 2013
- (j) DOD Instruction 1400.25 1800, "DoD Civilian Personnel Management System: DoD Priority Placement Program (PPP)," December 1996 incorporating through Change 5, June 7, 2007 Administratively reissued April 6, 2009)
- (k) SECNAV M-5210.1, "DON Records Management Program, Records Management Manual," January 2012
- (l) Title 5, Code of Federal Regulations, Parts 351 and 353

1. **PURPOSE.** To establish policy; emphasize the Naval Intelligence guidance and procedures, prescribe authorities, and assign responsibilities for conducting Adjustment in Force (AIF), for civilian employees covered under the Defense Civilian Intelligence Personnel System (DCIPS). AIF is a DCIPS workforce shaping or reduction mechanism for DCIPS positions and employees. AIF is the process employed when releasing employees assigned to positions in designed competitive areas in order of their retention standing and as determined by tenure, veterans' preference, performance score, and length of service. An AIF is conducted in situations such as lack of work, shortage of funds, reduction of civilian manpower, or reorganization and restructuring. In some cases, an AIF could be the result of an employee exercising reemployment or restoration rights.

2. **APPLICABILITY.**

2.1. This chapter applies to all Department of Navy (DON) employees who have been appointed under section 1601 of reference (a) and reference (i).

2.2. This chapter applies to members of the Defense Intelligence Senior Executive Service (DISES) only insofar as they make AIF decisions, serve as members of the AIF Appeals Committee (AC), or perform other similar managerial functions with respect to AIF. AIF processes for Defense Intelligence Senior Level (DISL) members shall be accomplished in accordance with the prescribed policy.

2.3. This chapter does not apply to employees covered by the Federal Wage System or equivalent, non-appropriated fund employees, or foreign national employees hired under an authority other than DCIPS.

3. **POLICY.** It is Naval Intelligence policy that Entities with DON DCIPS Positions (EDDPs) shall:

3.1. Accomplish AIF with maximum advance planning to minimize disruption to mission and adverse effects on employees.

3.2. Make every reasonable effort to avoid AIF through resource planning, job changes, or retraining.

3.3. Use established options to lessen the likelihood of adverse effects on the workforce or to avoid an AIF altogether. Such options may include Voluntary Early Retirement Authority (VERA) and Voluntary Separation Incentive Pay (VSIP) programs; pre-AIF placement for those employees eligible for placement assistance and referral programs, such as Priority Placement Programs (PPP) (where applicable) and the DCIPS Retention Program

as outlined in the DRP Guidance (DRP), reference (g); hiring freezes; voluntary placements; and other techniques. Use of these options shall be consistent with specific program requirements and policies.

3.4. Use competitive AIF procedures when employees are faced with separation, reduction in grade, change in work category or furlough for more than 30 consecutive days (or more than 22 cumulative workdays if done on a discontinuous basis) as a result of workforce shaping (e.g., lack of work, shortage of funds, reorganization). Competitive AIF procedures do not apply to shutdown furlough or emergency furlough situations.

3.5. Make reasonable efforts to place employees identified for involuntary separation as a result of AIF, or ultimately involuntarily separated as a result of AIF; however, employees have no right to assignment outside of their competitive area, to another position in the Navy, or to any other DCIPS Component.

3.6 Forward all requests for AIF approval to the Naval Intelligence Activity (NIA), Chief Human Capital Office (CHCO) for USD(I) approval at least 180 days in advance of any proposed AIF affecting DON DCIPS employees.

4. RESPONSIBILITIES.

4.1. The **Head, Naval Intelligence Activity (NIAH)** has overall responsibility for the oversight and coordination of DoDI 1400.25, Volume 2004 of reference (c) and shall:

4.1.1. Develop, in collaboration with the Director of Intelligence, Headquarters Marine Corps (HQMC) and the Entities with DON DCIPS (EDDPs), DCIPS policies, procedures, programs, and requirements for the DON DCIPS Community as specified in reference (i).

4.1.2. Issue supplemental guidance as appropriate, responding to reporting requirements established by the Office of Under Secretary Defense for Intelligence (OUSD(I)).

4.1.3. Delegate the authority to implement this chapter within Navy, as appropriate.

4.1.4. Designate a representative at the DISES level or equivalent to serve on the AIF Appeals Committee (AIF AC).

4.1.5. Review all AIF requests expected to result in the separation of employees and forward to OUSD(I) for approval.

4.2. The **Naval Intelligence Chief Human Capital Officer (CHCO)** shall:

4.2.1. Provide executive advice and recommendations on the management of AIF procedures to the NIAH and direct the full spectrum of AIF programs, policies, and systems.

4.2.2. Provide oversight and implementation of DCIPS AIF policies and practices and monitor their effect on Navy-wide personnel readiness as further delegated.

4.2.3. Serve as the Navy representative on the AIF AC.

4.2.4. Consider issues and requests for exceptions to DCIPS policies or procedures pertaining to personnel administration of AIF.

4.3. The **Directors of Civilian Human Resources (DCHR)** shall:

4.3.1. In conjunction with the Office of Civilian Human Resources (OCHR), develop, publish, and provide executive guidance on the policies governing the design and administration of DON DCIPS AIF procedures consistent with references (a) through (1).

4.3.2. Ensure implementation of AIF procedures and monitor compliance through established reporting requirements and program evaluation.

4.3.3 Review EDDPs requests for separation of employees due to AIF.

4.3.4. Shall forward all requests for AIF approval to the Naval Intelligence Activity (NIA), Chief Human Capital Office (CHCO), Civilian Personnel Office (CIPO) for USD(I) approval at least 180 days in advance of any proposed AIF affecting DON DCIPS employees. Submissions must include organizational charts (highlighting actual position(s) to be abolished and identify funding stream, (i.e. National Intelligence Program (NIP), Military Intelligence Program (MIP), Overseas Contingency Operations (OCO), etc.), and any related documents directing AIF action. Please note that competitive areas should be identified and confirmed prior to submission of AIF request.

4.3.5. Consider issues and requests for exceptions to DCIPS policies or procedures pertaining to personnel administration of AIF and forward through chain of command for final approval as required.

4.3.6. Resolve AIF issues referred from EDDPs and direct corrective action when warranted.

4.4. The **Human Resources Directors (HRD)** servicing DCIPS employees shall:

4.4.1. Assist EDDPs in assessing the need to conduct an AIF affecting their DON DCIPS employees.

4.4.2. Provide AIF options, notifications, assistance, and advice throughout the AIF process to EDDP leadership, supervisors, and managers. Develop standard operating procedures that follow AIF policies.

4.4.3. Review exceptions to AIF processes, then forwards to the CHCO for review.

4.4.4. Comply with, implement, and administer DCIPS AIF policies, programs, and processes within their respective Human Resources Offices (HROs) servicing DCIPS employees.

4.4.5. Advise on the execution of establishing competitive areas and timelines; developing and amending or rescinding employee notices, and determining retention standing on retention register(s); preparing and conducting AIF briefings; and developing AIF plans.

4.4.6. Coordinate with EDDPS on the execution of AIF in accordance with implementing AIF guidelines.

4.4.7. Ensure all details or short-term assignments to new sets of duties have been officially recorded and permanent personnel actions are taken where it is clear details cannot properly be extended. Any oversight or omissions concerning the above may result in employees competing erroneously for retention either to their own disadvantage or the disadvantage of other employees.

4.4.8. Ensure appropriate training is provided to the workforce on AIF.

4.4.9. Coordinate AIF requirements between EDDPs and the OCHR Operations (Ops) Center.

4.5. The **OCHR Ops Center Directors** shall:

4.5.1. Perform quality assurance and control for AIF actions ensuring prompt processing per applicable regulatory requirements.

4.5.2. Take action to ensure that decisions directed by DoD, DON, and the courts are implemented without delay.

4.6. The **Naval Intelligence Activity (NIA) General Counsel** shall:

4.6.1. Provide legal advice on AIF as necessary.

4.7. The **Entities with DoN DCIPS Positions (EDDPs)** shall:

- 4.7.1. Administer AIF affecting DCIPS personnel in accordance with the procedures of this chapter.
- 4.7.2. Determine the need for AIF.
- 4.7.3. Identify and forecast AIF requirements.
- 4.7.4. Determine competitive areas and identify employees affected by the AIF.
- 4.7.5. Provide decision on selected options for reassignment of displaced personnel.
- 4.7.6. Conduct AIF workforce briefing.
- 4.7.7. Report and execute AIF actions, where permitted.
- 4.7.8. Provide notification of AIF to affected personnel and servicing HRO.
- 4.7.9. Notify employees who are potentially affected by the planned AIF no fewer than 90 days prior to the effective date of the AIF.
- 4.7.10. Provide each employee affected by an AIF action with specific written notice of the action at least 60 calendar days (not including the date the notice is delivered or the AIF effective date) before the AIF effective date.
- 4.7.11. Coordinate with the appropriate public affairs officer in preparing and releasing public notification documents.

4.8. The **Supervisors and Managers** shall:

- 4.8.1. Authorize reasonable duty time for employees to attend in-house career counseling sessions, workshops, Employee Assistance Service counseling and/or training, and any other activities related to career transitions in response to AIF.
- 4.8.2. Be responsible for collaborating with their servicing HRO to facilitate AIF policies and procedures.
- 4.8.3. Keep employees informed of AIF plans and actions which could affect their jobs.
- 4.8.4. Strive to minimize the adverse effects of AIF on employees' morale and productivity and on the organizational climate.
- 4.8.5. Not attempt to use AIF to remove employees whose performance is unacceptable. Removals of such employees will be accomplished through performance management and adverse action procedures.

4.8.6. Notify servicing HRO of adverse impact on demographics and diversity.

4.9. **Employees** shall:

4.9.1. Notify their supervisor if a position description is not accurate.

4.9.2. Provide up-to-date documentation of their veterans' preference eligibility, experience, and education to their supervisor.

5. PROCEDURES.

5.1. **Advance Planning.** EDDPs will make every reasonable effort to avoid AIF actions through maximum advance resource planning, employee reassignment or retraining, voluntary early retirement authority implementation, and the use of separation incentives and pre-AIF placement for employees eligible for placement assistance and referral programs.

5.2. **Competitive Areas.** Employees must compete for retention in their competitive area during an AIF. EDDPs in conjunction with the DCHR and HRD shall define competitive areas to establish the geographical and organizational limits of AIF competition no later than 90 calendar days prior to the planned effective date of an AIF.

5.2.1. Competitive areas will be based by a combination of geographic area and any of the following elements: organizational unit, mission category, work category, work level, position grade, occupational series, or funding lines of business.

5.2.2. Considerations in determining a competitive area include minimizing disruption and AIF impact, as well as retention of critical skills.

5.2.3. Employees will not be assigned to more than one competitive area at the same time.

5.2.4. The local commuting area is the minimum area to be used in defining a competitive area geographically.

5.2.5. EDDPs may establish or change a competitive area within 90 days of the original planned effective date of an AIF with USD(I) approval. A new 90-day period will begin each time USD(I) approves the change.

5.2.6. Competitive areas for DISL positions may be based on one or more of the following: geographic location, funding lines of business, organizational unit, and technical qualifications.

5.2.7. DISL positions will not be in the same competitive area as DCIPS positions; DISL employees will compete for retention only against other DISL employees.

5.3. **Official Position of Record.** An employee competes in AIF from his or her official position of record. Determination of the employee's competitive area and placement on the retention register are based on the employee's official position of record. While other records documenting performance may ultimately affect their eligibility for other positions by demonstrating the employees' qualifications; employees will be included in competitive areas based only on their official position of record.

5.4. **Competing Employees.** Employees in the same competitive area, and in Tenure Groups I and III, shall compete for retention. Tenure Group II employees (such as employees serving a trial period) are included in Tenure Group I for the purposes of AIF.

6. NOTIFICATION.

6.1. **General Notification.** All employees potentially affected by the planned AIF will be notified by the respective EDDP no less than 90 calendar days prior to the effective date of the AIF.

6.2. **Individual Employee Notification.** EDDPs shall provide each employee on whom AIF action will be taken with a specific written notice of the action at least 60 calendar days (not including the date the notification is delivered or the AIF effective date) before the AIF effective date. At a minimum, AIF notification shall contain:

6.2.1. The action to be taken, the reason for the action, and its effective date.

6.2.2. Documentation of the employee's work category, work level, grade, competitive area, position, grade, tenure group, subgroup, veterans' preference, evaluation of record (and dates of rating) used for performance credit, and length of service computation.

6.2.3. The location where the employee may inspect the regulations and records pertinent to the case.

6.2.4. The reason for retaining a lower standing employee in the same competitive area, in cases of exception to the order of release.

6.2.5. Information on reemployment rights.

6.2.6. The employee benefits, entitlements, and appeal rights, including the time limits for appeal and the address of the AIF AC.

6.2.7. A notice of eligibility for unemployment insurance and other assistance, pertinent application information, and an option for the employee to authorize the release of his or her resume and other relevant employment information to potential public and private employers for employment referral.

6.3. **New, Amended, or Cancelled Notice Required.** An employee is entitled to a new written notice of at least 60 additional calendar days if a decision results in an action more severe than the original action, providing more time for the employee to prepare for the action.

6.4. **Status During Notice Period.** The employee shall remain in normal duty status during the notice period. However, if an emergency exists and there is a lack of work or funds for all or part of the notice period, the employee may be placed on annual leave, on leave without pay, or in a non-pay status without his or her consent, consistent with section 351.806 of title 5, Code of Federal Regulations, reference (1). The reasons supporting the decision must be fully documented.

6.5. **Prohibited Notice Period.** AIF termination and furlough notices shall not be issued or made effective between December 15 and January 3, per reference (e). If, in specific situations, where available resources must preclude delay, the USD(I) may authorize exceptions.

7. **RETENTION.**

7.1. **Retention Standing.** Employees occupying positions in the same competitive area compete for positions in AIF based on their retention standing. Retention standing is determined only for competing employees in the competitive area.

7.2. **Retention Register.** All competing employees occupying positions in the competitive areas are included on a retention register in order of retention standing.

7.3. **Right of Assignment.** DCIPS qualified employees can displace other DCIPS employees with lower retention standing in the assigned competitive areas, but have no right of assignment beyond their competitive areas during an AIF.

7.4. **Right of Appeal.** DCIPS employees may appeal AIF determinations in accordance with this chapter.

7.5. **Retention Factors.** The retention standing of an employee is determined by four statutory retention factors: tenure,

veterans' preference, performance, and creditable service as described in section 1610 of reference (a).

7.5.1. Tenure. Employees in the competitive area serving on temporary appointments of one year or less have no tenure and will be released prior to the AIF competition. They do not compete in the AIF. In accordance with Volume 2004 of reference (c), Tenure Groups I and II are combined into Tenure Group I.

7.5.1.1. Tenure Group I includes all permanent employees, including those serving a trial period. Trial period employees are included in Tenure Group I in order to provide high-performing, recently hired employees retention opportunity under AIF proceedings.

7.5.1.2. Tenure Group III includes all employees on non-permanent appointments of any kind which are more than 1 year in duration, or result in continuous employment for more than one year.

7.5.1.3. Tenure Groups I and III employees identified in the competitive area are placed on the retention register according to their position of record.

7.5.2. Veterans' Preference Eligibility. In accordance with Section 1610 of title 10, application of veterans' preference eligibility must be consistent with Section 3501(a)(3) and Section 3502(c) of title 5, U.S.C.

7.5.2.1. Veterans with Service-Connected Disabilities. A preference eligible veteran who has a compensable service-connected disability of 30 percent or more and whose performance has not been rated unacceptable, is entitled to be retained over other preference eligibles.

7.5.2.2. Veterans' Preference for Retired Members of the Military Services. A retired member of the Armed Forces is a veteran for AIF purposes only if the employee meets one of the following three conditions:

7.5.2.2.1. The United States Armed Forces retirement (without regard to benefits from the Department of Veterans Affairs) is directly based upon a combat-incurred disability or injury; or

7.5.2.2.2. The United States Armed Forces retirement is based upon less than 20 years of active duty; or

7.5.2.2.3. The employee has been working for the Government since 30 November 1964, without a break in service of more than 30 calendar days.

7.5.2.3. Application of Veterans' Preference in Determining Retention Standing. Each of the 2 tenure groups is divided into three subgroups based on the employee's entitlement to veterans' preference for AIF purposes:

7.5.2.3.1. Subgroup AD. Includes veterans who are eligible for AIF preference, and who have a compensable service-connected disability of 30 percent or more.

7.5.2.3.2. Subgroup A. Includes veterans eligible for AIF preference who are not eligible for Subgroup AD, and those eligible for derived preference, including spouses, widows or widowers, and mothers of veterans.

7.5.2.3.3. Subgroup B. Includes all nonveterans, veterans, and other employees not eligible for preference in Subgroups A and AD.

7.6. **Performance.** After placing employees on the retention register by Tenure Group and veterans' preference, EDDPs shall list employees in descending order based on their performance scores, including DCIPS ratings and converted ratings. DISL performance ratings, as determined in accordance with DCIPS Subchapter 920 of reference (c) will be used to compute the performance score for DISL employees, to determine retention standing after employees are placed on the retention list by Tenure Group and veterans' preference.

7.6.1. Computing the Performance Score. An employee's performance score for AIF purposes is the average of the employee's three most recent DCIPS overall ratings received during the 4-year period prior to the established cut-off date for receipt of performance ratings. If fewer than three DCIPS ratings exist and no other ratings are available to convert to DCIPS ratings, the existing DCIPS ratings shall be averaged. These ratings shall be averaged to the first decimal point. For example, an employee whose three most recent overall DCIPS ratings are 3, 3, and 4 would have a performance score for AIF of 3.3. Computations shall include only performance scores provided to the employee more than 90 calendar days in advance of the effective date of the AIF.

7.6.2. Creditable Ratings. An evaluation of record need not have been signed by the employee, but must have been issued to the employee with all appropriate supervisory reviews and rater and reviewer signatures accomplished. The rating must be available for use by the DCHR responsible for establishing retention registers at least 90 days in advance of the effective date of the AIF. Except for cases of mass conversions and new hires, EDDPs shall use only annual and special purpose DCIPS

rating of record, as described in Volume 2011 of reference (c), when determining performance scores for AIF purposes.

7.6.2.1. Mass Conversion into DCIPS - "Excellent" and "Outstanding" Ratings. Employees who convert into DCIPS with their organization, and have a non-DCIPS evaluation of record determined by their EDDP to be equivalent to the DCIPS evaluation of record of "Excellent" or "Outstanding" on file at the time of conversion, shall be assigned an overall converted DCIPS evaluation of record of 4 or 5, respectively.

7.6.2.2. Mass Conversion into DCIPS - "Successful" Ratings. Employees who convert into DCIPS with their organization, and have a non-DCIPS evaluation of record determined by their EDDP to be equivalent to the DCIPS evaluation of record of "Successful" on file at the time of conversion, shall be assigned an overall DCIPS evaluation of record 3 ("Successful").

7.6.2.3. Mass Conversion into DCIPS - "Minimally Successful" Ratings. Employees who convert into DCIPS with their organization and have a non-DCIPS evaluation of record of minimally successful or equivalent shall be assigned an overall DCIPS evaluation of 2 ("Minimally Successful").

7.6.2.4. Mass Conversion into DCIPS - "Unacceptable" Ratings. Employees who convert into DCIPS with their organization and have a non-DCIPS evaluation of record below satisfactory shall be assigned an overall DCIPS evaluation of 1 ("Unacceptable").

7.6.2.5. Individual Movement into DCIPS. Employees who were not part of a mass organizational conversion and who have not yet received a DCIPS evaluation of record shall be assigned a converted DCIPS evaluation of record of 3 ("Successful").

7.6.2.6. Missing Ratings. Employees who have no evaluations of record within the most recent 4-year period prior to the established cut-off date for receipt of performance ratings shall be assigned the modal evaluation of record for the competitive area as outlined in reference (c).

7.6.2.7. Using Converted Ratings in Computing Performance Score. When computing the DCIPS performance score, converted ratings shall continue to be used until the employee has three official DCIPS evaluations of record.

7.7. Creditable Service. Creditable service is the final consideration when placing an employee on a retention list. EDDPs shall include all creditable Federal and military service as defined by section 351.503 of reference (1). As required by section 1610 of reference (a), credit for military service will

be computed in accordance with section 3502(a), chapter 63 of reference (f).

7.8. Additional Tie-Breaking Procedures. EDDPs may use additional tie breakers provided these measures are announced to the work force in advance of an AIF.

7.9. Active Service Members. Employees who are Reservists or members of the National Guard on active duty and who have restoration rights will not be listed on the retention list. Their military status must be included in their record in order to indicate the reason they are not included on the retention register as competing employees for AIF. These employees cannot be issued AIF notices while on leave without pay - US, nor can they be separated during an AIF; the position must be reassigned to another organization or location. Separation can occur six months after restoration to civilian service if gone between 31 to 180 days, or one year after restoration to civilian service if gone 181 days or more than 6 months.

7.10. Employees with Performance and/or Conduct Problems.

7.10.1. Removal. An employee does not compete for retention if, prior to the effective date of the AIF, he or she has received a final written decision of removal for performance or conduct-based reasons.

7.10.2. Reduction in Work Level or Grade. An employee who, prior to the effective date of the AIF, has received a final written decision for reduction in work level or grade because of performance or for conduct reasons, is placed on the retention register for the position to which the employee will be reduced. The employee competes in AIF based on the new position.

7.11. Employees with Compensable Injuries. Employees away from work receiving compensation for injury do not receive special protections during an AIF and may not be denied placement rights because of their injury. Separation by AIF terminates restoration rights.

8. DISPLACEMENT AND RELEASE.

8.1. Displacement. An employee is displaced when his or her position is abolished or when a person of higher retention standing is moved into the employee's position.

8.2. Qualifications. An employee must be qualified for the lower standing employee's position, including minimum educational requirements for the position, and must be physically qualified, with reasonable accommodation where appropriate, to perform the duties without undue interruption.

8.3. Physical Qualifications. An employee on a leave of absence because of a compensable injury may not be denied an assignment right solely because the employee is not physically qualified for the duties of the position if the physical disqualification resulted from the compensable injury. In this case, the employee must be afforded appropriate assignment rights subject to recovery as provided by section 8151, chapter 63 of reference (f).

8.4. Preference Eligible Physical Qualifications. If EDDPs determine that a competing employee from Subgroup AD (such as a preference eligible veteran with a compensable service connected disability of 30 percent or more) is not able to fulfill the physical requirements of a position to which the employee would otherwise have been assigned, the EDDP shall notify the CHCO, CIPO, immediately. The preference eligible candidate and OUSD(I)/HCMO will be notified concurrently of the determination by the NIA CHCO. The employee shall be notified of his or her right to respond directly to the HCMO within 15 days of the notification. HCMO will forward the notification and response to the AIF AC. The AIF AC shall require a demonstration by the Component that the notification was sent in a timely manner to the preference eligible candidate's last known address and shall, before the selection of any other person for the position, make a final determination on the physical ability of the preference eligible candidate to perform the duties of the position, taking into account any additional information provided in the response. When the AIF AC has completed its review of the proposed disqualification on the basis of physical disability, it shall send its findings to the NIA CHCO and the preference eligible candidate. The CHCO will notify the EDDP of the AIF AC findings. The EDDP shall comply with the findings of the AIF AC. Selection of any other person for the position will not be made by the EDDP until the AIF AC makes the final determination on the physical ability of the preference eligible candidate to perform the duties of the position.

8.5. Order of Displacement and Release.

8.5.1. EDDPs shall select employees for release from the retention register in the inverse order of retention standing, beginning with the employee with the lowest retention standing. To ensure this, EDDPs shall first place the employee with the highest retention standing whose position has been abolished. This process shall continue for each employee whose position has been abolished, or whom another employee has displaced, in descending retention standing order. A final decision (such as placement in a new position or release if there are no available

positions) must be made before moving to the next person on the retention register.

8.5.2. All employees in Tenure Group III must be released before any employee in Tenure Group I is released.

8.5.3. Within each tenure group, all employees in Subgroup B must be released before any employee in Subgroup A is released, and all employees in Subgroup A must be released before any employee in Subgroup AD is released.

8.5.4. Within each Subgroup, employees will be released in order of performance score, beginning with the lowest performance score. When two or more employees within the same Subgroup have the same performance score, the employees will be released based on their length of creditable service, with the employee having the least amount of creditable service released first. When employees in the same retention Subgroup have identical service dates and are tied for release, the EDDP may select a tiebreaker to determine the employee for release.

8.6. Employees on Temporary Assignments. An employee will always compete for retention from their permanent position of record. Employees on temporary assignments away from their permanent positions will compete for retention within the competitive area on the basis of their permanent position of record. Employees on temporary assignments in a competitive area undergoing an AIF and whose permanent position of record is not within the competitive area will not be considered for AIF. At the DCHR's discretion, they may complete the temporary assignment or return to their permanent position. Temporary assignments to competitive areas undergoing AIF may not be extended.

8.7. Exceptions to Order of Release. DCHRs may give a DCIPS employee a temporary postponement of release from a retention register under options listed below, as appropriate. The reasons for the exception and the date the employee's retention will end must be documented on the retention register opposite the employee's name.

8.7.1. Mandatory Exceptions.

8.7.1.1. Military Service Restoration Rights. As specified in sections 4313 or 4315 of reference (d), a Tenure Group I employee entitled to retention after restoration shall be given retention priority over other employees in the same subgroup, regardless of performance evaluation of record or length of service, and may not be separated or reduced in grade, except for cause, for a designated period of time.

8.7.1.2. Use of Annual Leave to Reach Eligibility for Retirement or Continuance of Health Benefits. Temporary exception shall be made to retain an employee who is being involuntarily separated under AIF procedures and who elects to use annual leave to remain on the rolls after the effective date the employee would otherwise have been separated. This exception shall be made in order to establish initial eligibility for immediate retirement under sections 8336, 8412, 8414, or 8905 of reference (f) to continue health benefits coverage into retirement. Employees should not be retained beyond the date they first become eligible for immediate retirement or continuation of health benefits, unless it is necessary in order to satisfy both retirement and health benefits requirements. Annual leave considered must be accrued by the employee and may not be advanced to the employee.

8.7.2. Continuing Exceptions. An employee may be retained who would otherwise be released, provided the employee is performing duties that cannot be taken over within 90 calendar days by an employee with higher-retention standing without undue interruption to the mission. EDDPs shall notify in writing each higher-standing employee selected for release from the same competitive area of the reasons for the exception.

8.7.3. Temporary Exceptions. Unless otherwise specified, the following temporary exceptions shall be limited to 90 calendar days. The AIF notice of each higher-standing employee on the retention register selected for release from the register must include the reasons for the exception and the date the lower-standing employee's retention will end. The following temporary exceptions may be provided:

8.7.3.1. To satisfy a Government obligation to the retained employee (e.g., to allow an employee who is entitled to a new written notice to have the required full 60 calendar days when the AIF effective date is less than that).

8.7.3.2. To extend an employee's separation date beyond the effective date of the AIF when the temporary retention of a lower-standing employee does not adversely affect the right of any higher-standing employee who is released ahead of the lower-standing employee.

8.7.3.3. To retain on sick leave a lower-standing employee covered by Chapter 63 of reference (f) or other applicable leave system for Federal employees, who is on approved sick leave on the effective date of the AIF, for a period not to exceed the date the employee's sick leave is exhausted, but not to exceed a period of 90 days.

8.7.3.4. To retain on accrued annual leave a lower standing employee who will attain first eligibility for an immediate retirement benefit under the authority of sections 8336, 8412, 8414, or 8905 of reference (f) or other authority, , to carry health benefits coverage into retirement during the period represented by the amount of the employee's accrued annual leave.

8.7.3.5. To continue an activity without undue interruption for a period not to exceed 90 days.

8.7.4. Liquidation Exceptions. In addition to exceptions previously described in this chapter, an exception to release order based on retention standing may be made when all positions in the competitive area are abolished simultaneously. This means employees may be released without regard to performance or creditable service time. However, employees must be released in subgroup and tenure group order. This exception may be applied within one year of the date of liquidation.

9. POSITION OFFERS. EDDPs will offer an employee placement in a position for which the employee is considered qualified, that is occupied by an employee with lower retention standing in the same competitive area, is not temporary, and does not result in a promotion. Offers may be made for a position at the same or lower work level or grade than the employee's present position, but not more than three grades below the employee's present position. Following AIF procedures, it is not permissible to place an employee in a position with a higher grade potential than the current grade. If an employee's pay rate exceeds the maximum rate for the pay grade of the position offered and accepted, the employee will be placed in pay retention.

9.1. A DCIPs employee is not inherently entitled to a position offer until an offer is made. Once a position is offered to an employee, the employee is entitled to that specific offer. Except as provided in paragraph 9.b., below, the employee is not entitled to any further offers if the employee:

- (a) Accepts the initial offer;
- (b) Rejects the initial offer; or

(c) Fails to reply to the initial offer within the timeframe established by the EDDP.

9.2. If an employee with the required retention standing is determined by the DCHR to be better qualified for a position which becomes available on or before the effective date of the AIF, EDDPs shall offer that position to the released employee regardless of whether the employee accepted or declined a

previous offer. The employee is entitled to any better offers of assignment that may occur as a result of another employee's rejection of an offer, resignation, retirement, etc. The DCHR will consider work category, work level, grade, occupation, location, and other factors when determining what constitutes a better offer. When determining multiple options, priority shall be given to the offer that results in the least amount of disruption to the employee.

9.2.1. EDDPs may offer vacant positions to those employees being displaced through AIF, to mitigate the disruption and impact of AIF. Management may waive or modify specific qualifications when offering an employee a vacant position, provided the employee meets minimum education requirements and has a performance record that demonstrates the skills and abilities to satisfactorily perform the duties of the position. If EDDPs choose to use vacancies in AIF, the following procedures shall apply.

9.2.1.1. Offers of Vacant Positions Within the Competitive Area. EDDPs will first offer vacancies within the employee's assigned competitive area. A vacancy offer must be based on relative retention standing, with the employee who has the highest retention standing and who is qualified being offered the vacancy before any other employee.

9.2.1.2. Offers of Vacant Positions Outside the Competitive Area. EDDPs may offer vacancies outside the competitive area to employees who would otherwise be separated because they have been released from the retention list. Offers of vacant positions outside the competitive area must be based on retention standing. Acceptance of such offer is voluntary and declining an offer outside of the competitive area is not considered a declination of an official offer.

10. **FURLONGHS.** A competing employee may be furloughed when the intent is to recall the employee to duty within 1 year from the date of separation and the furlough will last for more than 30 consecutive days (or more than 22 cumulative workdays if done on a discontinuous basis). If more than one employee is to be furloughed, the procedures in this chapter shall be followed to determine retention standing, and employees shall be released beginning with the employee who has the lowest retention standing on the retention register. A competing employee may not be separated due to AIF while an employee with a lower retention standing in the same competitive area is on furlough. An employee may not be furloughed for more than 1 year. When employees are recalled to duty, they shall be recalled in the

order of their retention standing, beginning with the employee with the highest retention standing.

11. **TRANSFER OF FUNCTION (TOF).** A TOF occurs when work is moved from one competitive area to another or when an entire competitive area is moved to a new local commuting area.

11.1. The work must cease to be performed in the losing competitive area and be performed by competing employees (not contracted out) in the new competitive area. Additionally, the function transferred must not be currently performed in the gaining competitive area at the time of transfer.

11.1.2. It is not a TOF when the work is scheduled for liquidation or termination, even if associated or follow-up work is transferred to another competitive area for final closure.

11.1.3. EDDPs shall use the displacement and release procedures in this chapter to determine the transfer and retention rights of employees in both the losing and gaining competitive areas in the event of a TOF. This chapter's displacement and release procedures shall be applied by:

11.1.3.1. The losing competitive area, in deciding whether a competing employee has a right to transfer (such as if the employee will be separated or reduced in grade if they do not transfer).

11.1.3.2. The losing competitive area, in the selection of volunteers for the transfer when the number of volunteers exceeds the number of positions required to perform the function in the gaining competitive area.

11.1.3.3. The gaining competitive area, in establishing the retention rights of the combined population of employees transferring into, and employees originally in, the gaining competitive area.

12. **APPEALS.** The decision by an EDDP to conduct an AIF is not subject to any appeal. However, an employee who has been separated, changed to a lower work level or grade, or who has been furloughed for more than 30 consecutive calendar days, or more than 22 cumulative workdays if done on a discontinuous basis, as a result of AIF, may appeal an alleged wrongful application of AIF procedures to the AIF AC. There are several forums for appeal available to DCIPS employees who have been adversely affected by AIF, depending upon the employee's status. An employee may not appeal in more than one forum.

12.1. **DON DCIPS Appeals Process.** All DON DCIPS employees may elect to utilize the administrative internal appeal/grievance process set forth in shall be in accordance with Chapter 2014, Employee Grievance Procedures of reference (b).

12.2. **The Merit System Protection Board (MSPB).** Preference-eligible employees, as defined in section 2108 of reference (f), or section 7511(b)(8) of title 5, reference (f), with one year of continuous service in the same or similar position, may elect to appeal to the MSPB on matters under MSPB jurisdiction.

12.3. **AIF Appeal Process.** Except as noted above, all DON DCIPS employees may elect to utilize the appeals process established specifically for DCIPS AIF appeals. This process is designed is described below and in Chapter 2014, Employee Grievance Procedures of reference (b).

12.3.1. AIF Appeals Procedures:

(1) DON DCIPS employees may appeal to the AIF AC. The AIF AC is composed as follows:

(a) The AIF AC shall consist of DISES/DISL level or equivalent officer designated by the Head, NIA and appointed by the OUSD(I).

(b) The Chairperson is appointed by USD(I)

(c) A legal representative.

(2) Appeals to the AIF AC must be in writing, must specify the allegation, and must be received by the OUSD(I) Human Capital Management Office by the 30th calendar day after the effective date of the AIF action.

(3) Appeals may not be filed by an employee on behalf of another employee.

(4) The AIF AC will be convened whenever the Director, HCMO is in receipt of at least one valid appeal.

(5) A DON DCIPS employee who has filed an appeal and is awaiting ruling on that appeal shall immediately notify the AIF AC if he or she accepts an offer of assignment to a position of the same grade he or she held immediately prior to the AIF in issue.

(6) Other avenues or redress, outside of the AIF appeals process, pursuant to separate laws and regulations governing prohibited personnel practices, Equal Employment Opportunity, and protections against whistleblowers reprisal remain available to employees, as applicable.

(7) AIF AC decisions shall normally be made within 30 calendar days from the date the AIF AC convenes.

(8) AIF AC decisions are final.

13. OUTPLACEMENT ASSISTANCE. Outplacement services to employees who are separated as the result of an AIF utilizing the following programs, as applicable:

13.1. DoD Priority Placement Program (PPP). Participating EDDPs shall follow the policies in reference (j).

13.2. DoD Intelligence Community (IC) DCIPS Retention Program (DRP). Navy DCIPS employees informed that they will be separated by the AIF are required to register for the DRP. The DRP works to match employees pending separation by AIF with available DCIPS positions within the DOD Intelligence Community (IC) that match their skill sets in a consistent and timely manner. Registration eligibility is generally based on the individual being displaced through AIF. Procedures described in reference (g) will be followed for DRP.

13.3. Administrative Referral Assistance. Employees who have received written notification of separation as the result of AIF may, in accordance with Volume 1700 of reference (e), seek administrative referral assistance to publicize their availability for positions within the DoD components with DCIPS positions for which they are qualified.

13.4. Severance Pay Effect on Other Benefits. EDDPs will pay severance pay under the authority of section 1603 of reference (a) and consistent with the provisions in section 5595, chapter 63 of reference (f). Since separation from a DoD Component with DCIPS positions as a result of AIF is an involuntary separation, not for reasons of misconduct, delinquency or inefficiency, employees shall be eligible for severance pay, retirement, and other benefits. To be eligible for severance pay, an employee must have been employed for at least 12 continuous months, must not be eligible for an immediate annuity from a Federal civilian retirement system or from the uniformed Services, and must not be receiving workers' compensation benefits for wage loss due to an on-the-job injury. In addition, to be eligible for severance pay, an employee may not have refused an offer of a position that is:

13.4.1. In the same DoD Component and local commuting area; and

13.4.2. No more than one work level or three grades below the current position.

13.5. **Retirement and Effect on Other Benefits.** Standing provisions available through sections 8336, 8412, and 8414 of reference (f) and Office of Personnel Management (OPM) regulations regarding discontinued service retirement, life insurance, health insurance, and other benefits are applicable for such involuntary separation.

14. **RECORDS.**

14.1. EDDPs will maintain complete and accurate records relating to an AIF for at least 2 years after the final action has been taken in accordance with SECNAV M-5210.1, reference (k).

14.2. An employee who has received a specific AIF notice has the right to review any completed records used in an AIF action that was taken, or will be taken, against the employee. An employee who has not received an AIF notice has no right to review the retention list and related records.

GLOSSARY

Adjustment in Force (AIF). The DCIPS force shaping or reduction mechanism for releasing employees from competitive areas in order of tenure, veterans' preference, performance score, and length of service according to policy.

AIF Appeals Committee (AIF AC). A DoD appellate body established by the OUSD(I) for adjudicating AIF appeals within the DoD Components with DCIPS positions, except for appeals from OUSD(I) employees and appeals to the Merit Systems Protection Board (MSPB).

AIF Appeals. The administrative action available to employees separated, furloughed for more than 30 consecutive days (or more than 22 cumulative workdays if done on a discontinuous basis) or changed to lower grade.

Competitive Area. A combination of geographic areas and any of the following: work category, work level, grade organizational units, occupational group, funding line(s), or a combination of these elements, in which DCIPS employees compete for retention in AIF actions.

Competing Employee. An employee in Tenure Group I or III.

Demotion. A change to a lower grade. Also referred to as a Reduction to Lower Grade.

Entity with DON DCIPS Positions (EDDP). Any organization which employs one or more DON Intelligence/Intelligence Support employees who have been appointed under the Defense Civilian Intelligence Personnel System (DCIPS), Section 1601 of title 10, United States Code

Evaluation of Record. The officially designed DCIPS performance evaluation presented to the employee which includes all supervisory reviews and signatures. This document contains the summary performance rating as derived from the employee's ratings on his or her performance elements and performance objectives and assigned during the annual evaluation of employee performance.

Furlough. The temporary release and subsequent placement of an employee into a non-pay status because of lack of work or shortage of funds. AIF procedures must be followed when the furlough is for more than 30 consecutive days (or more than 22 cumulative workdays if done on a discontinuous basis) but not more than one year.

Liquidation. The abolishment of all positions in a competitive area.

Local Commuting Area. The geographic area that usually constitutes one area for employment purposes. It includes any population center or two or more neighboring ones.

Position of Record. An employee's official position (defined by grade, occupational series, employing agency, and any other condition that determines coverage under a pay schedule other than official worksite) as documented on the employee's most current Notification of Personnel Action (Standard Form 50 or equivalent) and current position description. A position to which an employee is temporarily detailed is not documented as a position of record. For an employee whose change in position is followed within 3 workdays by an AIF which will result in the employee's separation before he or she is required to report to duty in the new position, the position of record goes into effect immediately, before the position change is deemed to remain the position of record through the date of separation.

Preference Eligible Employee. Employees eligible for veterans' preference. By law, veterans who are disabled or who served on active duty in the Armed Forces during certain specified time periods or in military campaigns are entitled to preference over others in hiring from competitive lists of eligibles and also in retention during reductions in force. This also includes spouses, widows, or mothers who meet the definition of "preference eligible" in 5 USC 2108.

Priority Placement Program (PPP). The primary means for implementing DoD policy to minimize the adverse effects on employees caused by actions such as, but not limited to, AIF, reductions-in-force, base closures, realignments, consolidation, contracting out, position classification decisions, rotation from overseas and transfers of function. The PPP consists of several subprograms with the primary purposes of placing DoD employees who have been adversely affected through no fault of their own.

Reduction to Lower Grades. A change to a lower grade. Also referred to as a Demotion.

Retention Standing. Retention standing is the relative right of an employee to be retained in a position when similar positions are being abolished and employees in them are being reassigned, demoted, separated, or furloughed. Retention standing also determines the order in which position offers are made once employees have been released from their competitive area. An employee's retention standing is based on the following factors: tenure, veterans' preference (used to determine subgroup

standing), Performance, and Creditable Service. Employees are listed in order of the employee with the highest standing at the top of the register and the employee with the lowest standing at the bottom of the register.

Retention Register. A listing of employees within a competitive area in the order of their relative retention standing. It serves as the primary source document in conducting an AIF and is broken down by tenure group, tenure subgroup (veterans' preference), and adjusted service computation date.

Tenure Group. Categories of employees in the competitive area ranked in priority order for retention during adjustment in force. Tenure groups are based on whether an employee is considered permanent (to include those on a trial period) or serving on a non-permanent appointment.

Transfer of Function (TOF). The cessation of the performance of a function in one competitive area and its addition to one or more other competitive areas, or the movement of a function from one competitive area to another competitive area. In a transfer of function, the function ceases in the losing competitive area and continues in identical form in the gaining area. The function transferred must not have been previously performed in the gaining competitive area prior to the time of transfer.

Undue Interruption. A degree of interruption that would prevent the completion of required work within a reasonable period (e.g., 90 days) after the employee has been placed in a different position.